

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 060 Economic Services Admin

Budget Period: 2003-05 Version: F1 060 2003-05 Fall Update

Recommendation Summary Text:

This item is an update to reflect the October 2002 forecast adopted by the Caseload Forecast Council (CFC) and forecasted expenditures for the 2003-05 Biennium for the Economic Services Administration (ESA). The dollars associated with each caseload have been adjusted to reflect the most recent forecast.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 060			
001-1 General Fund - Basic Account-State	6,168,000	9,283,000	15,451,000
001-2 General Fund - Basic Account-Federal	(503,000)	(503,000)	(1,006,000)
001-A General Fund - Basic Account-DSHS Fam Support/Chi	4,440,000	6,477,000	10,917,000
001-D General Fund - Basic Account-TANF (DSHS)	34,703,000	42,383,000	77,086,000
Total Cost	44,808,000	57,640,000	102,448,000

Staffing

Package Description:

ESA provides work-related services, child support services, financial, food, and other assistance to eligible clients. This request reflects the changes associated with the Department of Social and Health Services (DSHS) Office of Forecasting and Policy Analysis (OFPA) forecast, Office of Financial Management (OFM) forecast, and the CFC caseload projections for ESA. This updated forecast for ESA programs includes caseload and cost estimates for: Working Connections Child Care (WCCC), Temporary Assistance for Needy Families (TANF), Child Support Recoveries, General Assistance (GA), Diversion Cash Assistance (DCA), Refugee Cash Assistance (RCA) and Consolidated Emergency Assistance Program (CEAP).

Child Care - This program provides subsidized child care for children in families up to 200 percent of the Federal Poverty Level (FPL) regardless of their participation in a grant program. This request is based on the OFM rate of change model identifying the need for approximately \$28.2 million for Fiscal Year 2004 and \$33.7 million in Fiscal Year 2005.

TANF Assistance - This caseload trend has leveled off from significant decreases between Fiscal Years 1997 through 2002. Caseload growth for the 2003-05 Biennium is estimated to remain flat. The adjusted need is approximately \$4.8 million in Fiscal Year 2004 and \$5.9 million in Fiscal Year 2005.

Child Support Recoveries - DCS provides collection services to custodial parents regardless of their participation in a grant program. Collections for families on assistance are retained by the state and shared with the federal government to offset the costs of the TANF grant. Beginning October 1, 2000, federal regulations required DCS to change distribution of arrears payments on current and former TANF cases to provide increased child support to families. The money owed to the state has declined 23.8 percent from January 2000 to August 2002. This is a direct reduction in the pool of money that can be retained by the state. Due to significant decreases in assistance caseloads and changes in federal regulations, collections are estimated to decrease up to 15 percent by the end of the 2003-05 Biennium, requiring an additional \$8.9 million in Fiscal Year 2004 and \$13 million in Fiscal Year 2005.

GA - This program provides cash assistance for low income adults who are unemployable based on a medical impairment and/or applying for, and appear to be eligible for federal Supplemental Security Income (SSI) benefits. The adjusted need is approximately \$1.5 million in Fiscal Year 2004 and \$2.6 million in Fiscal Year 2005.

DCA - This program provides a once in a 12-month payment (up to \$1,500), to overcome a temporary emergency. The dollar

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adjustment associated with this caseload is estimated to be \$1.7 million in Fiscal Year 2004 and \$2.8 million in Fiscal Year 2005.

CEAP - The dollar adjustment associated with this caseload is estimated to be \$171,000 per year in the 2003-05 Biennium.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Maintain a safety net for people in poverty by providing the highest quality public assistance and child support services.

Performance Measure Detail

Program: 060

Goal: 02F Maintain safety net for people in need.

No measures submitted for package

Incremental Changes

FY 1

FY 2

Reason for change:

The adjustments for each caseload reflect forecasted changes in the number of cases for which grants must be provided. The changes associated with each caseload do not reflect any change in the type or level of service provided by ESA.

Impact on clients and services:

By ensuring that adequate funding is available for the changing caseloads, the department will be able to provide grants to those who meet current program requirements.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

No revisions needed if funding is approved.

Alternatives explored by agency:

Not applicable

Budget impacts in future biennia:

Costs associated with the caseload in future biennia will be determined by future caseload projections.

Distinction between one-time and ongoing costs:

Costs in this package are ongoing.

Effects of non-funding:

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These caseloads are forecasted programs. If they are not funded, clients will be affected through eligibility restrictions or waiting lists.

Expenditure Calculations and Assumptions:

See attachment - ESA M1-93 Mandatory Caseload Adjustments.xls

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 060 Objects				
N	Grants, Benefits & Client Services	44,808,000	57,640,000	102,448,000
<u>DSHS Source Code Detail</u>				
Program 060		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	6,168,000	9,283,000	15,451,000
<i>Total for Fund 001-1</i>		6,168,000	9,283,000	15,451,000
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	(503,000)	(503,000)	(1,006,000)
<i>Total for Fund 001-2</i>		(503,000)	(503,000)	(1,006,000)
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources</u>	<u>Title</u>			
563A	Title IV-D Child Support Enforcement (A) (FMAP)	4,440,000	6,477,000	10,917,000
<i>Total for Fund 001-A</i>		4,440,000	6,477,000	10,917,000
Fund 001-D, General Fund - Basic Account-TANF (DSHS)				
<u>Sources</u>	<u>Title</u>			
558B	Temp Assist for Needy Families (TANF) (100%)	34,703,000	42,383,000	77,086,000
<i>Total for Fund 001-D</i>		34,703,000	42,383,000	77,086,000
Total Program 060		44,808,000	57,640,000	102,448,000